

**BOARD OF TRUSTEES**  
**Regular Meeting**  
Wednesday, August 13, 2003, 3:00 p.m.  
Retirement Fund Conference Room

**MINUTES**

<b>DEFINED BENEFITS</b>
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**I. CALL TO ORDER**

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting was called to order at 3:13 p.m. Wednesday, August 13, 2003, in the Retirement Fund Conference Room. Chairman Francisco B. Salas officiated.

**Board of Trustees Present:**

Francisco B. Salas, Chairman  
Gerard A. Cruz, Vice Chairman  
Rolenda L. Faasuamalie, Trustee  
Katherine T.E. Taitano, Trustee

**Board of Trustees Absent:**

Stephen J. Guerrero, Trustee

**Staff Present:**

Wilfred G. Aflague, Director  
Paula M. Bamba, Administrative Services Officer  
Pete Tajalle, Controller  
Greg Perez, Acting Benefits Program Administrator  
Vince Camacho, BenefitsCorp  
Jackie Blas, Board Secretary

**Public Present:**

Attorney Joyce Tang  
Mark Heath, Metropolitan West Capital Management

**II. REVIEW AND APPROVAL OF MINUTES**

**A. July 3, 2003 Emergency Meeting**

**On motion of Mrs. Rolenda Faasuamalie, seconded by Vice Chairman Gerard Cruz, and unanimously agreed upon, the Minutes of July 3, 2003 Emergency Meeting were approved, subject to corrections. Motion carried.**

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve to move Item VII under New Business: A. Presentation – Attorney Joyce Tang to Item III. Motion carried.**

**III. NEW BUSINESS**

**A. Presentation from Attorney Joyce Tang**

Ms. Joyce Tang from the Law Firm of Teker Civile Torres & Tang, made a brief presentation to the Board of Trustees on the business of security fraud. The firm’s area of specialty is in security fraud litigation. This is a class action lawsuit that won’t cost the Retirement Fund any money. There’s no retainer. It will be on a contingency basis. If you own stock, all you have to do is participate or join the lawsuit before the case is settled. Chairman Salas recommended that this proposal should go before the Investment Committee.

Chairman Salas asked if this involves any other securities other than stocks. Ms. Tang replied yes. Vince Camacho, BenefitsCorp stated that the Board of Trustees doesn’t necessarily make decisions to purchase individual stocks. The Board only chooses the investment manager. The investment manager makes the determination on which individual stocks or bonds to purchase. Ms. Tang stated that it doesn’t matter who purchased or who recommended purchasing the stock. It’s who owns it. Vice Chairman Cruz inquired about Enron. Ms. Tang stated that they are not suing Enron. They are going after the underwriters.

Chairman Salas thanked Ms. Tang for her presentation. Director Aflague suggested referring this matter to the next Investment Committee Meeting then the Board of Trustees could take action on an RFP.

**On motion of Vice Chairman Gerard Cruz, seconded by Mrs. Rolenda Faasumalie, and unanimously agreed upon, the Board of Trustees voted to approve to refer this matter to the next Investment Committee Meeting. Motion carried.**

**IV. PENSION BENEFITS**

**A. Members and Benefits Committee Findings**

- 1. June 24, 2003**
- 2. August 5, 2003**

Mrs. Rolenda Faasumalie stated that based on the Committee’s findings during their meeting of June 24, 2003, the following applications are recommended for **APPROVAL** by the Board of Trustees.

<b>A. SURVIVOR ANNUITY BENEFIT APPLICANTS</b>		
1.	Name	Francisco C. Concepcion
	Date of Death	April 21, 2003
	Annuity Due Decease	\$ 17,101.92
	Surviving Spouse	Cecilia S. Concepcion
	Survivor’s Annuity	\$ 8,550.96
	Percentage Earned	50%
	Effective Date	April 21, 2003
2.	Name	Teresita G. Cruz
	Date of Death	May 22, 2003
	Annuity Due Decease	\$ 11,765.04
	Surviving Spouse	Victor C. Cruz
	Survivor’s Annuity	\$ 5,882.64
	Percentage Earned	50%
	Effective Date	May 22, 2003

3.	Name	Manuel F. Duenas
	Date of Death	May 20, 2003
	Annuity Due Decease	\$ 10,270.32
	Surviving Spouse	Maria M. Duenas
	Survivor's Annuity	\$ 5,135.28
	Percentage Earned	50%
	Effective Date	May 20, 2003
4.	Name	Josephine F. Gentapanan
	Date of Death	April 26, 2003
	Annuity Due Decease	\$ 16,444.08
	Surviving Spouse	Anthony I. Gentapanan
	Survivor's Annuity	\$ 8,222.16
	Percentage Earned	50%
	Effective Date	April 26, 2003
5.	Name	Felix I. Torres
	Date of Death	April 22, 2003
	Annuity Due Decease	\$ 40,135.44
	Surviving Spouse	Estella M. Torres
	Survivor's Annuity	\$ 20,067.84
	Percentage Earned	50%
	Effective Date	April 22, 2003
6.	Name	Josefa B. Torres
	Date of Death	June 03, 2003
	Annuity Due Decease	\$ 14,204.64
	Surviving Spouse	Juan U. Torres
	Survivor's Annuity	\$ 7,102.32
	Percentage Earned	50%
	Effective Date	June 03, 2003

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve Items A 1-6, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.**

Mrs. Rolenda Faasuamalie stated that based on the Committee's findings during their meeting of June 24, 2003, the following application is recommended for **APPROVAL** by the Board of Trustees.

B.	AGE RETIREMENT APPLICANT	
1.	Name:	Richard HJ Wyttenbach-Santos
	Date of Birth:	June 09, 1941
	Department:	University of Guam
	Length of Service:	16 Years 02 Months 00 Days
	Service Factor:	16.166
	Average Annual Salary:	\$ 121,385.40
	Annual Annuity	\$ 42,988.56
	Percentage Earned:	35.41493
	Effective Date:	January 29, 2003

**On motion of Mrs. Rolenda Faasuamalie, seconded by Vice Chairman Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to approve Item B 1, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.**

Mrs. Rolenda Faasuamalie stated that based on the Committee's findings during their meeting of June 24, 2003, the following applications are recommended for **APPROVAL** by the Board of Trustees.

**C. OPTIONAL RETIREMENT APPLICANTS**

1. Name: Carlito B. Batac  
Date of Birth: June 25, 1949  
Department: Department of Education  
Length of Service: 22 Years 03 Months 00 Days  
Service Factor: 22.250  
Average Annual Salary: \$ 39,817.07  
Annual Annuity: \$ 12,591.32  
Percentage Earned: 58.02000  
Effective Date: December 23, 1996
  
2. Name: Margaret C. Cabrera  
Date of Birth: March 29, 1952  
Department: Guam Community College  
Length of Service: 21 Years 09 Months 00 Days  
Service Factor: 21.750  
Average Annual Salary: \$ 29,751.68  
Annual Annuity: \$ 10,503.36  
Percentage Earned: 35.303418  
Effective Date: October 01, 2002

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve Items C 1-2, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.**

Mrs. Rolenda Faasuamalie stated that based on the Committee's findings during their meeting of June 24, 2003, the following application is recommended for **APPROVAL** by the Board of Trustees.

**D. SERVICE RETIREMENT APPLICANT (EARLY RETIREMENT INCENTIVE PROGRAM)**

1. Name: Anthony S. Cruz  
Date of Birth: December 31, 1950  
Department: Department of Education  
Length of Service: 31 Years 11 Months 15 Days  
Service Factor: 31.958  
Average Annual Salary: \$ 36,805.13  
Annual Annuity: \$ 27,565.20  
Percentage Earned: 74.89499  
Effective Date: January 01, 2000

**On motion of Mrs. Rolenda Faasumalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve Item D 1, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.**

Mrs. Rolenda Faasumalie stated that based on the Committee's findings during their meeting of June 24, 2003, the following applications are recommended for **APPROVAL** by the Board of Trustees.

E. SERVICE RETIREMENT APPLICANTS

1. Name: Eddie S. Cruz  
Date of Birth: December 30, 1949  
Department: Guam Water Works Authority  
Length of Service: 27 Years 07 Months 15 Days  
Service Factor: 27.625  
Average Annual Salary: \$ 59,840.73  
Annual Annuity: \$ 38,335.44  
Percentage Earned: 64.062453  
Effective Date: October 01, 1998
  
2. Name: Maria Cecilia Cruz  
Date of Birth: January 27, 1946  
Department: Dept. of Land Management  
Length of Service: 27 Years 08 Months 00 Days  
Service Factor: 27.666  
Average Annual Salary: \$ 35,383.83  
Annual Annuity: \$ 22,704.00  
Percentage Earned: 64.164902  
Effective Date: October 01, 1998
  
3. Name: Dolores G. Guzman  
Date of Birth: July 10, 1951  
Department: Department of Education  
Length of Service: 26 Years 01 Month 00 Days  
Service Factor: 26.083  
Average Annual Salary: \$ 45,543.65  
Annual Annuity: \$ 27,420.72  
Percentage Earned: 60.20755  
Effective Date: September 28, 2001
  
4. Name: Edward M. Iriarte  
Date of Birth: October 22, 1955  
Department: Department of Public Works  
Length of Service: 27 Years 02 Months 00 Days  
Service Factor: 27.166  
Average Annual Salary: \$ 53,686.58  
Annual Annuity: \$ 33,776.88  
Percentage Earned: 62.91494  
Effective Date: October 01, 1999

5. Name: Pedro C. Pangelinan  
Date of Birth: June 29, 1942  
Department: Department of Public Works  
Length of Service: 27 Years 10 Months 15 Days  
Service Factor: 27.875  
Average Annual Salary: \$ 42,531.49  
Annual Annuity \$ 27,512.64  
Percentage Earned: 64.68769  
Effective Date: October 01, 1999
  
6. Name: Annie R. Perez  
Date of Birth: July 11, 1947  
Department: Department of Education  
Length of Service: 31 Years 07 Months 00 Days  
Service Factor: 31.583  
Average Annual Salary: \$ 47,267.85  
Annual Annuity \$ 34,958.16  
Percentage Earned: 73.95758  
Effective Date: October 15, 2001
  
7. Name: Therese F. Tenorio  
Date of Birth: September 25, 1949  
Department: Department of Education  
Length of Service: 36 Years 00 Months 00 Days  
Service Factor: 36.000  
Average Annual Salary: \$ 44,281.46  
Annual Annuity \$ 37,639.20  
Percentage Earned: 85.00000  
Effective Date: January 01, 2000
  
8. Name: David A. Terlaje  
Date of Birth: December 27, 1949  
Department: Port Authority of Guam  
Length of Service: 28 Years 09 Months 00 Days  
Service Factor: 28.750  
Average Annual Salary: \$ 44,255.49  
Annual Annuity \$ 29,595.84  
Percentage Earned: 66.87495  
Effective Date: July 27, 2002
  
9. Name: Frances A. Topasna  
Date of Birth: April 30, 1945  
Department: Department of Education  
Length of Service: 26 Years 05 Months 15 Days  
Service Factor: 26.458  
Average Annual Salary: \$ 40,253.41  
Annual Annuity \$ 24,612.96  
Percentage Earned: 61.14503  
Effective Date: July 30, 1999

10. Name: Juanita T. Torre  
Date of Birth: June 26, 1953  
Department: Superior Court of Guam  
Length of Service: 30 Years 05 Months 15 Days  
Service Factor: 30.458  
Average Annual Salary: \$ 60,867.92  
Annual Annuity \$ 43,304.40  
Percentage Earned: 71.14486  
Effective Date: May 25, 2002
11. Name: Sheila S. Torres  
Date of Birth: November 10, 1963  
Department: Agency for Human Resource Dev  
Length of Service: 32 Years 04 Months 00 Days  
Service Factor: 32.333  
Average Annual Salary: \$ 59,099.78  
Annual Annuity \$ 44,816.88  
Percentage Earned: 75.83256  
Effective Date: October 01, 2002
12. Name: Tomas C. Torres, Jr.  
Date of Birth: February 10, 1948  
Department: Department of Public Works  
Length of Service: 31 Years 00 Months 00 Days  
Service Factor: 31.000  
Average Annual Salary: \$ 37,170.88  
Annual Annuity \$ 26,948.88  
Percentage Earned: 72.49997  
Effective Date: October 01, 2000
13. Name: Edward F. Unchangco  
Date of Birth: December 06, 1948  
Department: Guam Police Department  
Length of Service: 29 Years 08 Months 15 Days  
Service Factor: 29.708  
Average Annual Salary: \$ 60,752.39  
Annual Annuity \$ 42,083.28  
Percentage Earned: 69.27016  
Effective Date: June 03, 2000
14. Name: Tomas M. Villagomez  
Date of Birth: February 02, 1953  
Department: Guam Power Authority  
Length of Service: 25 Years 11 Months 15 Days  
Service Factor: 25.958  
Average Annual Salary: \$ 79,666.61  
Annual Annuity \$ 47,716.32  
Percentage Earned: 59.89500  
Effective Date: February 27, 1999

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|-----|------------------------|----------------------------|
| 15. | Name:                  | Carol L. Waltner           |
|     | Date of Birth:         | September 15, 1948         |
|     | Department:            | Guam Community College     |
|     | Length of Service:     | 26 Years 08 Months 15 Days |
|     | Service Factor:        | 26.708                     |
|     | Average Annual Salary: | \$ 70,635.76               |
|     | Annual Annuity         | \$ 43,631.76               |
|     | Percentage Earned:     | 61.77000                   |
|     | Effective Date:        | October 01, 2000           |
|     |                        |                            |
| 16. | Name:                  | Miles G. Washington        |
|     | Date of Birth:         | April 26, 1944             |
|     | Department:            | Department of Education    |
|     | Length of Service:     | 31 Years 02 Months 15 Days |
|     | Service Factor:        | 31.208                     |
|     | Average Annual Salary: | \$ 41,299.70               |
|     | Annual Annuity         | \$ 30,156.96               |
|     | Percentage Earned:     | 73.01980                   |
|     | Effective Date:        | October 01, 1997           |
|     |                        |                            |
| 17. | Name:                  | Mary Louise Wheeler        |
|     | Date of Birth:         | October 06, 1943           |
|     | Department:            | Governor's Office          |
|     | Length of Service:     | 31 Years 11 Months 00 Days |
|     | Service Factor:        | 31.916                     |
|     | Average Annual Salary: | \$ 100,111.36              |
|     | Annual Annuity         | \$ 74,873.28               |
|     | Percentage Earned:     | 74.78999                   |
|     | Effective Date:        | April 07, 2002             |
|     |                        |                            |
| 18. | Name:                  | Aline A. Yamashita         |
|     | Date of Birth:         | March 31, 1957             |
|     | Department:            | Department of Education    |
|     | Length of Service:     | 27 Years 10 Months 00 Days |
|     | Service Factor:        | 27.833                     |
|     | Average Annual Salary: | \$ 86,084.62               |
|     | Annual Annuity         | \$ 55,595.52               |
|     | Percentage Earned:     | 73.95758                   |
|     | Effective Date:        | May 26, 1999               |

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve Items E 1-18, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.**



Mrs. Rolenda Faasuamalie stated that based on the Committee's findings during their meeting of June 24, 2003, the following application is recommended for **DISAPPROVAL** by the Board of Trustees.

A. DISABILITY APPLICANT

1. Jane M. Story

**On motion of Mrs. Rolenda Faasuamalie, seconded by Vice Chairman Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to disapprove the disability application of Jane M. Story, as recommended by management. Motion carried.**

Mrs. Rolenda Faasuamalie stated that based on the committee's findings during their meeting of August 5, 2003, the following disability application is recommended for **DISAPPROVAL** by the Board of Trustees.

A. DISABILITY APPLICANT (APPEAL)

1. Erma Pangelinan (Denied at the August 14, 2002 Board Meeting)

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to disapprove the disability application of Ms. Erma Pangelinan, as recommended by management. Motion carried.**

Mrs. Rolenda Faasuamalie stated that based on the committee's findings during their meeting of August 5, 2003, the following disability application is recommended for **APPROVAL** by the Board of Trustees.

2. Evelyn Duenas

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the disability application of Ms. Evelyn Duenas, as recommended by management. Motion carried.**

Mrs. Rolenda Faasuamalie stated that based on the Committee's findings during their meeting of August 5, 2003, the following applications are recommended for **APPROVAL** by the Board of Trustees.

B. MINOR CHILDREN APPLICATION

1. Zecheriah AL Daniels and Aubrey Ann M. Daniels
2. Sherrie Antoinette Taijeron Nauta

**On motion of Mrs. Rolenda Faasuamalie, seconded by Vice Chairman Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to approve Items B 1-2, as recommended by management. Motion carried.**

Mrs. Rolenda Faasuamalie stated that based on the Committee's findings during their meeting of August 5, 2003, the following applications are recommended for **APPROVAL** by the Board of Trustees.

C. SURVIVOR ANNUITY BENEFIT APPLICANTS

1. Name Francisco GR Castro  
Date of Death June 26, 2003  
Annuity Due Decease \$ 19,693.44  
Surviving Spouse Clotilde P. Castro  
Survivor's Annuity \$ 9,846.72  
Percentage Earned 50%  
Effective Date June 26, 2003
2. Name Luther C. Cox  
Date of Death June 07, 2003  
Annuity Due Decease \$ 10,200.24  
Surviving Spouse Jeanene Cox  
Survivor's Annuity \$ 5,100.24  
Percentage Earned 50%  
Effective Date June 07, 2003
3. Name Manuel C. Duenas  
Date of Death May 10, 2003  
Annuity Due Decease \$ 11,358.24  
Surviving Spouse Ana R. Duenas  
Survivor's Annuity \$ 5,679.12  
Percentage Earned 50%  
Effective Date May 10, 2003
4. Name Charito B. Hongo  
Date of Death February 07, 2003  
Annuity Due Decease \$ 21,748.80  
Surviving Spouse Domingo C. Hongo  
Survivor's Annuity \$ 10,874.40  
Percentage Earned 50%  
Effective Date February 07, 2003
5. Name Emery L. Neal  
Date of Death March 27, 2003  
Annuity Due Decease \$ 21,877.92  
Surviving Spouse Margarita S. Neal  
Survivor's Annuity \$ 10,938.96  
Percentage Earned 50%  
Effective Date March 27, 2003
6. Name Lourdes S. Pangilinan  
Date of Death June 23, 2003  
Annuity Due Decease \$ 11,190.72  
Surviving Spouse Modesto B. Pangilinan  
Survivor's Annuity \$ 5,595.36  
Percentage Earned 50%  
Effective Date June 23, 2003

**On motion of Mrs. Rolenda Faasualmalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve Items C 1-6, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.**

Mrs. Rolenda Faasualmalie stated that based on the Committee's findings during their meeting of August 5, 2003, the following application is recommended for **APPROVAL** by the Board of Trustees.

**D. OPTIONAL RETIREMENT APPLICANT**

1.	Name:	Concepcion D. Valenzuela
	Date of Birth:	October 26, 1940
	Department:	Department of Education
	Length of Service:	22 Years 05 Months 15 Days
	Service Factor:	22.458
	Average Annual Salary:	\$ 32,431.36
	Annual Annuity:	\$ 15,965.04
	Percentage Earned:	49.227167
	Effective Date:	July 31, 1999

**On motion of Mrs. Rolenda Faasualmalie, seconded by Vice Chairman Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to approve Item D 1, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.**

Mrs. Rolenda Faasualmalie stated that based on the Committee's findings during their meeting of August 5, 2003, the following applications are recommended for **APPROVAL** by the Board of Trustees.

**E. SERVICE RETIREMENT APPLICANTS**

1.	Name:	Benny R. Aguon
	Date of Birth:	February 09, 1952
	Department:	Guam Water Works Authority
	Length of Service:	30 Years 11 Months 00 Days
	Service Factor:	30.916
	Average Annual Salary:	\$ 53,926.99
	Annual Annuity:	\$ 38,983.92
	Percentage Earned:	72.290183
	Effective Date:	January 30, 1999
2.	Name:	Vicente B. Aguon
	Date of Birth:	September 05, 1948
	Department:	Department of Public Works
	Length of Service:	33 Years 00 Months 15 Days
	Service Factor:	33.041
	Average Annual Salary:	\$ 39,276.82
	Annual Annuity:	\$ 30,479.76
	Percentage Earned:	77.602412
	Effective Date:	October 01, 2002

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|----|------------------------|----------------------------------|
| 3. | Name:                  | Madeline S. Aquino               |
|    | Date of Birth:         | February 14, 1945                |
|    | Department:            | Guam Memorial Hospital Authority |
|    | Length of Service:     | 25 Years 10 Months 15 Days       |
|    | Service Factor:        | 25.875                           |
|    | Average Annual Salary: | \$ 28,731.90                     |
|    | Annual Annuity         | \$ 17,149.44                     |
|    | Percentage Earned:     | 59.68780                         |
|    | Effective Date:        | October 01, 2002                 |
|    |                        |                                  |
| 4. | Name:                  | Daniel J. Arceo                  |
|    | Date of Birth:         | May 23, 1961                     |
|    | Department:            | Guam Police Department           |
|    | Length of Service:     | 25 Years 02 Months 00 Days       |
|    | Service Factor:        | 25.166                           |
|    | Average Annual Salary: | \$ 54,450.14                     |
|    | Annual Annuity         | \$ 31,534.80                     |
|    | Percentage Earned:     | 57.91500                         |
|    | Effective Date:        | March 23, 2002                   |
|    |                        |                                  |
| 5. | Name:                  | Leonila M. Batac                 |
|    | Date of Birth:         | October 04, 1949                 |
|    | Department:            | Department of Education          |
|    | Length of Service:     | 25 Years 08 Months 15 Days       |
|    | Service Factor:        | 25.708                           |
|    | Average Annual Salary: | \$ 40,306.16                     |
|    | Annual Annuity         | \$ 23,889.36                     |
|    | Percentage Earned:     | 59.26974                         |
|    | Effective Date:        | October 09, 1997                 |
|    |                        |                                  |
| 6. | Name:                  | Joseph G. Benito                 |
|    | Date of Birth:         | February 27, 1954                |
|    | Department:            | Guam Power Authority             |
|    | Length of Service:     | 25 Years 09 Months 00 Days       |
|    | Service Factor:        | 25.750                           |
|    | Average Annual Salary: | \$ 48,996.96                     |
|    | Annual Annuity         | \$ 29,091.84                     |
|    | Percentage Earned:     | 59.37478                         |
|    | Effective Date:        | June 02, 2001                    |
|    |                        |                                  |
| 7. | Name:                  | Patricia A. Bennett              |
|    | Date of Birth:         | August 20, 1947                  |
|    | Department:            | Department of Education          |
|    | Length of Service:     | 34 Years 00 Months 00 Days       |
|    | Service Factor:        | 34.000                           |
|    | Average Annual Salary: | \$ 76,615.30                     |
|    | Annual Annuity         | \$ 61,292.16                     |
|    | Percentage Earned:     | 80.00000                         |
|    | Effective Date:        | March 16, 2002                   |

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|----|------------------------|---------------------------------|
| 8. | Name:                  | Margaret G. Blaz                |
|    | Date of Birth:         | June 10, 1955                   |
|    | Department:            | Public Health & Social Services |
|    | Length of Service:     | 29 Years 07 Months 00 Days      |
|    | Service Factor:        | 29.583                          |
|    | Average Annual Salary: | \$ 55,844.08                    |
|    | Annual Annuity:        | \$ 38,508.72                    |
|    | Percentage Earned:     | 68.95756                        |
|    | Effective Date:        | October 01, 2002                |
|    |                        |                                 |
| 9. | Name:                  | Sylvia S. Chaco                 |
|    | Date of Birth:         | April 05, 1937                  |
|    | Department:            | Civil Service Commission        |
|    | Length of Service:     | 30 Years 02 Months 00 Days      |
|    | Service Factor:        | 30.166                          |
|    | Average Annual Salary: | \$ 50,379.52                    |
|    | Annual Annuity:        | \$ 35,474.64                    |
|    | Percentage Earned:     | 70.41480                        |
|    | Effective Date:        | September 30, 2000              |

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve Items E 1-9, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.**

Mrs. Rolenda Faasuamalie stated that based on the committee's findings during their meeting of August 5, 2003, the following request for payment of excluded service credit is recommended for **APPROVAL** by the Board of Trustees.

**F. JAMES G. SABLAN – REQUEST FOR PAYMENT OF EXCLUDED SERVICE CREDIT**

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the request of Mr. James G. Sablan to allow him to pay into the Fund for his excluded service, as recommended by management. Motion carried.**

**V. INVESTMENT COMMITTEE**

**A. Minutes of June 16, 2003**

**B. Minutes of August 6 & 7, 2003**

Vice Chairman Gerard Cruz stated that the Minutes of June 16, 2003 and the Minutes of August 6 & 7, 2003 are submitted for the Board of Trustees' review. Vice Chairman Cruz stated that the Investment Managers' Review was very successful.

Vice Chairman Cruz stated that the asset allocation is 50% U.S. Fixed Income, 40% U.S. Equity, and 10% Non U.S. Equity. Vice Chairman Cruz stated that we need to put in place an interim allocation. Mr. Pete Tajalle stated that the expected return on option A4a would be 7.51% and the return on option A4b will be 7.83%. Mr. Tajalle stated that he recommends the adoption of option A4a. Mrs. Rolenda Faasuamalie stated that we should set forth with the RFP. Mr. Tajalle stated that we would need the Board's approval for the allocation then to develop the RFP.

**On motion of Vice Chairman Gerard Cruz, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the Board of Trustees voted to approve an interim allocation. Motion carried.**

**On motion of Vice Chairman Gerard Cruz, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the Board of Trustees voted to approve to adopt a new strategic allocation known as A4a that's reflected on Mercer Investment Consulting's presentation. Motion carried.**

**On motion of Vice Chairman Gerard Cruz, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the Board of Trustees voted to approve to move forward with an RFP process for Broad International Developed Markets Small Cap and Developed Markets Large Cap with the condition of proper input from Legal Counsel and from our investment consultants. Motion carried.**

## **VI. EXECUTIVE SUMMARY**

### **A. Disability Applicants**

Ms. Paula Bamba stated that on April 23, 2003, the first meeting of the new Board of Trustees, approved disability retirement annuities for five (5) applicants. The commencement date was the date of the Board's approval. Ms. Bamba inquired if the commencement date should be the date of the Board's approval or the date when the individual exhausted his/her sick leave. Ms. Bamba stated that the applications were not entertained earlier due to the absence of the Board of Trustees. Some of these applicants were ready for the Board's approval since December 2002. Ms. Bamba stated that she has inquired with Legal Counsel if these applicants are entitled to retroactive pay. Ms. Bamba asked if these applicants should receive retroactive payment from when they were ready to go before the Board. Legal Counsel's recommendation is that the Board of Trustees have the authority to approve a disability application with a retroactive commencement date.

Mrs. Rolenda Faasuamalie asked who are the disability applicants that were affected by waiting for the Board to be in place. Mrs. Faasuamalie stated that she would like to review the documentation. Mrs. Faasuamalie further stated that she would like the commencement date to be the date of the next regularly scheduled Board of Trustees meeting. The resignation of the previous Board was effective January 6, 2003. The next regularly scheduled meeting would have been on the latter part of January 2003.

Vice Chairman Gerard Cruz asked how much money are we anticipating with the retroactive payments. Mr. Greg Perez, Acting Benefits Program Administrator, stated that it would be retroactive for three months. Director Aflague stated that he will get the details of each of the five applicants to include the dollar amount. Vice Chairman Cruz asked what happens if this situation should come up again where there's no Board of Trustees available to conduct a meeting. Ms. Bamba stated that with Bill 153, this would not happen again. There should always be a Board in place.

**RECESS: 4:14 P.M.**

**RECONVENED: 4:16 P.M.**

**B. Contributions Update**

Director Aflague reported to the Board of Trustees that two other agencies are now eligible for their employees to apply for retirement. The Department of Customs and Quarantine, and the Department of Mental Health and Substance Abuse are now current with their contributions. There are a total of nine line agencies that are now current with their payments.

Director Aflague mentioned a couple of newspaper articles affecting the Retirement Fund. The first article was regarding the AG's lawsuit against DOA. This lawsuit has been dropped. Director Aflague stated that the line agencies are current at this time with their remittance of their employee/employer contributions with the exception of DOE and GMH. Director Aflague stated that DOE is aware that they are behind \$16 Million. The Attorney General will be going after DOE to make some movement on behalf of the Retirement Fund.

The other article was an incident at GMH regarding three GMH employees in the payroll division with regards to not remitting their personal share of employee contributions. Director Aflague informed the Board of Trustees that he will be establishing a quality assurance division.

**C. Budget Bill**

Director Aflague reported to the Board of Trustees that there are several items in the budget bill that pertains to the Retirement Fund. Vice Speaker Aguon is proposing to insert a provision to allow employees to retire if their individual employee/employer contributions have been remitted by their agencies. Director Aflague further stated that there are new provisions where the autonomous agencies are being asked to pay the health, dental and life insurance premiums for their respective retirees and no longer from the General Fund.

Chairman Salas requested that any recommendation for legislation should go before the Board of Trustees especially on policy making decisions.

**VII. OLD BUSINESS**

**A. Financial Report**

**1. Accounts Receivable**

Mr. Pete Tajalle, Controller, reported to the Board of Trustees on the outstanding receivables. As of August 8, 2003, the General Fund has paid \$2.3 Million of their \$4.3 Million outstanding receivables. Their balance due as of August 8, 2003 is \$2,091,100.50. The three biggest agencies that owe the Retirement Fund money are the General Fund, DOE with \$16,512,511.91 for employee/employer contributions and interest and penalties, and GMH at \$16,044,399.90 for employee/employer contributions and interest and penalties. Mr. Tajalle stated that he will continue with our collection efforts. Mr. Tajalle further stated that they are also working with collection for supplemental outstanding receivables from GPA and the Port Authority.

Vice Chairman Cruz asked where do benefit payments to retirees reflect in the income statement. Mr. Tajalle stated that it is not included as an actual expense of the Fund. That represents an annuity pay out based on whatever their benefits is due to them at that particular time. It would be just a reduction of the liability to the actual annuitant itself. It is not an expense of the Fund.

#### **B. Salary Adjustment for Director**

Chairman Salas stated that Item VII B has been tabled for several months. Director Aflague is requesting for the Board of Trustees approval for a salary adjustment from Step 5 to Step 10, a 20% increase in salary. Chairman Salas stated that he would recommend approving the salary adjustment to Step 10 for the reasons that he is a director that is tasked with some very significant challenges throughout the Government of Guam.

Ms. Katherine Taitano asked why the Director was at Step 5. Ms. Paula Bamba stated that Step 5 is the entry level established by the Civil Service Commission.

Mrs. Rolenda Faasuamalie stated that the salary adjustment was entertained at the first meeting of the new Board. Mr. Aflague has done really well and we all can see the progress.

Vice Chairman Gerard Cruz stated that he sees the progress that would justify the salary adjustment. Vice Chairman Cruz stated that he is very impressed with how we were able to get the receivables down to a level that's more manageable. He is still apprehensive of the timing of this issue. Vice Chairman Cruz stated that he is in support of the salary adjustment.

Chairman Salas stated that the Board is very supportive of the salary adjustment to Step 10. Chairman Salas stated that as required by law, we have to have a six (6) month performance review from time to time.

Director Aflague stated that his commitment to the Board is that his salary level will stay at Step 10 but that his performance level will increase through Steps 11-20. Chairman Salas stated that the salary adjustment should be retroactive to the date of hiring.

Vice Chairman Cruz made a comment that any controversy on the salary adjustment should not cloud the good of the Retirement Fund. Chairman Salas recommended directing any comments to him.

**On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the salary adjustment for the Director to Step 10, retroactive to the date of hire. Motion carried.**

#### **C. Bill 153 (Legislation Relative to the Appointment and Election of the Board of Trustees)**

Ms. Paula Bamba stated that Bill 153 will be heard in session sometime next week. Senator Toni Sanford incorporated the rules and regulations as part of the actual statute and had a public hearing on it to meet the requirements of the Administrative Adjudication Act. Ms. Bamba stated that she anticipates that changes would be made because it doesn't seem to be a consensus between GARP and the senators as far as what GARP wants and what the senators want. Ms. Bamba stated that the way we handled vacancies here was a succession type of process.



Ms. Bamba stated that the Guam Election Commission will handle the election. The Retirement Fund will pay for the costs of the election. Mr. Tajalle stated that the costs, based on the Guam Election Commission estimates, will roughly be \$100,000.00 or more.

Mr. Tajalle stated that if a person who is an elected active member should become a retiree, he would have to vacate that position. Ms. Bamba stated that she is trying to get legal opinion on status as an active member who then becomes a retiree.

Chairman Salas stated that he is disappointed that there was no notification to the Board of Trustees of the public hearing on Bill 153. This should have been brought up before the Board of Trustees. Chairman Salas recommended that we need to work on measures or steps to keep the communication lines open with our oversight chair or any senator on what's coming up affecting the Retirement Fund. Vice Chairman Gerard Cruz asked if Bill 153 is as marked up. The Director replied yes.

Ms. Katherine Taitano asked if we are required to fill the vacancies. Ms. Bamba stated that we need a minimum of four (4) positive votes to pass any action. We are not required now to have four (4) positive votes. There will be no courtesy resignations required from the four (4) elected Board of Trustees.

## **VIII. OPEN DISCUSSION**

### **A. First Retirement Fund Summit**

Chairman Salas thanked everyone for a fine job on the summit. The feedback was that it was an overwhelming great summit. The Chairman praised the Director on his presentation at the summit.

### **B. Board of Trustees Meeting Time**

Mrs. Rolenda Faasuamalie recommended for the Board's consideration on moving the meeting time to either 4:00 – 4:30 p.m. or to 12:00 Noon to 1:00 p.m. time frame. Chairman Salas stated that our future meetings will be conducted from 12:00 Noon to 1:00 p.m.

### **C. Acting Deputy Director**

Chairman Salas and the Board of Trustees congratulated Ms. Paula Bamba on her nomination as Acting Deputy Director for the Retirement Fund.

## **IX. ANNOUNCEMENTS**

None

## **X. ADJOURNMENT**

**There being no further business before the Board, on motion of Ms. Katherine Taitano, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the meeting was adjourned at 4:48 p.m. Motion carried.**

Respectfully submitted,

Jackie Blas  
Board Secretary

## **D E F I N E D   C O N T R I B U T I O N S**

### **I.      C A L L   T O   O R D E R**

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting was called to order at 4:48 p.m. Wednesday, August 13, 2003, in the Retirement Fund Conference Room. Chairman Francisco B. Salas officiated.

#### **Board of Trustees Present:**

Francisco B. Salas, Chairman  
Gerard A. Cruz, Vice Chairman  
Rolenda L. Faasuamalie, Trustee  
Katherine T.E. Taitano, Trustee

#### **Board of Trustees Absent:**

Stephen J. Guerrero, Trustee

#### **Staff Present:**

Wilfred G. Aflague, Director  
Paula M. Bamba, Administrative Services Officer  
Pete Tajalle, Controller  
Greg Perez, Acting Benefits Program Administrator  
Vince Camacho, BenefitsCorp  
Jackie Blas, Board Secretary

### **II.     O L D   B U S I N E S S**

#### **A.      C o n t r i b u t i o n   R e p o r t   a s   o f   P P E   A u g u s t   9 ,   2 0 0 3**

Mr. Vince Camacho reported to the Board of Trustees that payments are up to date.

#### **B.      A s s e t   B a l a n c e   R e p o r t   2 0 0 3   f o r   D C   P l a n   a n d   4 5 7   P l a n**

Mr. Vince Camacho reported to the Board of Trustees that the net investment gain for the DC is \$5.4 Million and so our assets grew to \$80,228,645.11.

Vice Chairman Cruz inquired about the DB Plan. The Director stated that the figures are coming in from the Fund Managers. Vice Chairman Cruz also inquired about delinquencies. Mr. Camacho stated that there are no delinquencies.

Mr. Camacho stated that the 457 Plan's net investment gain is \$262,000.00. This is about a 10% return on the assets.

### **III.    N E W   B U S I N E S S**

#### **A.      B e n e f i t s C o r p ' s   N e w   N a m e**

Mr. Vince Camacho reported to the Board of Trustees that BenefitsCorp's name will cease to exist effective October 1, 2003. On October 1, 2003, the new name will be Great West Retirement Services. The logo will remain the same. The broker dealer will be Great West Financial Service Equities. Chairman Salas asked if there will be notice of the name change. Mr. Camacho replied yes.

**B. Human Resources Summit**

Mr. Vince Camacho reported to the Board of Trustees that Great West Retirement Services will be sponsoring a Human Resources Summit for Human Resources, Data and Payroll personnel. The summit will be held sometime in October or November 2003.

**IV. OPEN DISCUSSION**

**A. Attorney Fees**

Mrs. Rolenda Faasuamalie inquired about the attorney fees in the amount of \$120,000.00 for Attorney Phil Torres. Is there any response from Legal Counsel? Chairman Salas stated that there's a challenge from our Legal Counsel about substantiating the fees. The Director stated that the one of the plaintiffs in the case is an attorney with the firm that is charging the attorney fees. The Director stated that Retirement Fund's Legal Counsel has requested for a breakdown of the charges.

**V. ANNOUNCEMENTS**

None

**VI. ADJOURNMENT**

**There being no further business before the Board, on motion of Vice Chairman Gerard Cruz, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the meeting was adjourned at 5:10 p.m. Motion carried.**

Respectfully submitted,

Jackie Blas  
Board Secretary